



# COMMISSION NEWS

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ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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TO: EDITORS, NEWS DIRECTORS  
FOR: IMMEDIATE RELEASE

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## **VALLEY RESIDENTS FINED \$20,000 BY ARIZONA CORPORATION COMMISSION FOR SECURITIES ACT VIOLATIONS**

**Phoenix, AZ**— The Arizona Corporation Commission has ordered Valley residents George Wetterwald, John Frick, Kirwan Flannery and Nelson Harris, together with Federal Funding Foundation Corporation (FFFC) and Sierra Management Group, Inc. (SMG) to cease and desist from violations of the Securities Act of Arizona in connection with the illegal sale of investments in a business trust, the Sierra Short Term Investment Trust No. 1. The Commission also ordered Wetterwald, Frick, Flannery, FFFC and SMG to pay \$20,000 in fines. Harris was ordered to pay \$1,000 in fines for his involvements in the sale of the illegal securities. Wetterwald, Frick and Flannery were key officers of FFFC, a small, closely-held Arizona corporation.

Fifteen investors were enticed into putting more than \$1 million dollars in the Sierra Trust during the summer of 1996. The Commission's securities investigators found that FFFC and SMG had not properly registered the Sierra Trust investment with the Securities Division of the Commission and that statements in FFFC's and SMG's advertising and marketing materials contained misrepresentations regarding the risks of investing in the Sierra Trust.

"We hope this sends a message that Arizona will not tolerate this type of activity, and that violators of the Securities Act will face severe and appropriate penalties for abusing the public's trust" said Corporation Commission Chairman, Jim Irvin. He noted that the Commission has retained

jurisdiction to determine whether an order of restitution may be appropriate when Sierra Trust dissolves in 1999, pursuant to its trust agreement. Irvin said that the Attorney General's Office also has an ongoing civil racketeering lawsuit in superior court against FFFC, Wetterwald and Frick for other investments sold by FFFC and that Commission investigators will continue to monitor that case.

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